



## New Motor Vehicle Board

# In-Site

January 2002

A Publication of the California New Motor Vehicle Board

02.1 Edition

## 2001 RECAP

### The Board's Year in Review



Tom Flesh

This past year was one that challenged the spirit and resilience of all Americans. The September 11<sup>th</sup> attack on the World Trade Center and Pentagon changed the way we view our world and thrust us into a war on terrorism. I was extremely proud of the automotive industry, both dealers and manufacturers, with their immediate and generous response in support of the relief effort.

Closer to home, the Board achieved a number of operational improvements and other accomplishments that improved our ability to effectively serve our industry customers. Changes in the composition of the Board and staff also required a number of adjustments. With that in mind, let us reflect on the challenges we encountered, and highlight our accomplishments.

The Board and staff worked effectively and energetically in addressing this year's robust Board agendas, and a substantial number of changes and improvements in Board operations were implemented, including:

- improvement of the Board's web site
- enhancement of the Consumer Mediation Services Program
- improvement of the Board's data system
- a 25% reduction in fees charged manufacturers and dealers
- clarification of manufacturer/distributor licensees that fall under the Board's jurisdiction
- electronic mailing of agendas and meeting minutes

Our ability to quickly resolve disputes continues to reflect well on the Board and the parties that utilize its services. In 2001, the Board processed 40 protests and petitions, successfully resolving 21, without the necessity of a hearing on the merits. In addition, 6,621 calls from consumers were processed, with 492 formal requests for consumer mediation. Our dispute resolution record received positive response from those who utilize it.

In addition, the Board had the privilege of hosting the 2001 Fall Workshop of the National Association of Motor Vehicle Boards and Commissions, which provided a forum for the exchange of industry information and ideas of common interest to all states. Attendees expressed their thanks and appreciation to the Board for its efforts in making the event a complete success.

Joseph Putnam, Dealer Member, who joined the Board in 1997, left in March 2001, when his term expired. He first chaired the Board's Internal Operations Oversight Committee and then its Fiscal Committee. In addition, Mr. Putnam was a member of the Board Development Committee where, along with Committee Chair, Sol Soteras, was instrumental in the creation of Board Member educational seminars. At the September 6, 2001, General Board meeting, Mr. Putnam was honored for his outstanding service on behalf of the people of the State of California and presented with a framed resolution and glass sculpture. We additionally want to thank Joe for his kindness in taking the time to represent the Board when, on January 7, 2002, State officials toured the NUMMI plant.

In April 2001, the Board welcomed back Alan Skobin, Dealer Member, who previously served on the New Motor Vehicle Board from 1994 to 1997. He was appointed by Governor Gray Davis to fill the vacancy created when Joseph Putnam's term expired. Mr. Skobin currently serves on the Board's Administration Committee. During his prior tenure, he capably served as Board President and as a member of the Judicial Policy & Procedures Committee. In March 2001, I am proud to announce that I was re-appointed as a Board member by Governor Davis.

Sam W. Jennings, Executive Secretary/Chief Administrative Law Judge of the New Motor Vehicle Board, retired in April, 2001. Mr. Jennings assumed the position of Executive Secretary of the New Motor Vehicle Board in 1975, where he remained until his retirement.

In August 2001, Staff Counsel, Mike Dingwell, left the Board to pursue a career in the private sector. Mr. Dingwell had worked on the Board's development and educational program, was editor of the newsletter, "In-Site", helped to streamline the case management procedures utilized in Board matters, and was responsible for many other projects with the various Board committees.

During the coming year, the Board plans to continue pursuing its goal of maintaining effective relationships with industry members and governmental agencies, including both the Department of Motor Vehicles and the Business, Transportation & Housing Agency. Our progress in this area has enhanced our operational success. We will also continue to improve our ability to function as an effective industry dispute-resolution forum. The Board and staff will also attend meetings and educational gatherings of industry associations. Board member education seminars and programs will be conducted on a regular schedule in order to provide a balanced, knowledgeable forum for resolving disputes in the

automobile industry. Finally, the Board reaffirms its commitment to the Davis administration's mission and goals.

On a personal note, I want to thank all of the distinguished people on the Board and in the automotive industry, both public and private, who have made my tenure as President and as a member of the Board a personally rewarding and fulfilling experience. Whether participating in cases, formulating policy, or exchanging ideas, the automotive industry has great people who are committed to meeting future challenges in a professional and responsible manner. I would like to extend congratulations to the new President, Fritz Hitchcock, and to Vice President, Glenn Stevens, who are very capable of continuing the progress we have made.

This has been a year of challenge, growth, and accomplishment. On behalf of my fellow Board members and of the staff, I would like to express our best wishes for success, good health, and prosperity in the New Year.



State of California  
Gray Davis, Governor

Officers  
Frederick E. (Fritz) Hitchcock,  
President  
Glenn E. Stevens,  
Vice-President

## IN-SITE

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Department of Motor Vehicles  
Steven Gourley, Director

### New Motor Vehicle Board

Members  
Edward W. Bayuk  
Wendy Brogin  
Robert T. (Tom) Flesh  
Alan J. Skobin  
Solon C. Soteris  
David W. Wilson



Business, Transportation  
and Housing Agency  
Maria Contreras-Sweet, Secretary

Executive Director  
Tom Novi

General Counsel  
Howard Weinberg, Esq.

Senior Staff Counsel  
Robin P. Parker, Esq.

Questions or comments: Kathy Tomono, Editor, nmvb@pacbell.net



Left to right: Tom Novi, Wendy Brogin, Alan Skobin, Jackie Grassinger, Dave Wilson, Solon Soteras, Glenn Stevens, Kathy Tomono, Tom Flesh and Fritz Hitchcock

## EMPLOYEE RECOGNITION

The Board considered and approved unanimously at its November 20, 2001, meeting, the Board Development Committee's recommendation that Kathy Tomono and Jackie Grassinger receive the Employee Recognition Award for a job well done.

Ms. Grassinger was recognized for exemplary customer service, handling extra calls when other staff are unavailable, going the "extra mile" in researching complex issues, and a willingness to assist other staff in helping resolve difficult cases. Her co-workers often compliment her calm, professional, and very pleasant demeanor. She has also been profiled in the In-Site newsletter for her success in mediating disputes.

Ms. Tomono was recognized for her skills and organization in preparing materials for Board meetings and producing the In-Site quarterly newsletter, along with processing a broad range of documents related to Board cases. Her co-workers have complimented her energy, positive attitude and willingness to work long hours to get the job done. In addition, she coordinated the recent meeting of the National Association of Motor Vehicle Boards and Commissions, and was soundly praised by all the attendees. Also, by volunteering to chair the recently completed United California State Employees Campaign, her efforts resulted in a 55% increase in donations from the previous year.

### BOARD WEB "HITS"

The number of web users visiting the Board's web site since September 2000:

**295,991**

*Have you visited us yet?*

**[nmvb.ca.gov](http://nmvb.ca.gov)**

## FEE REDUCTION

Effective December 31, 2001, the New Motor Vehicle Board's annual fee for dealer, manufacturers and distributors has been reduced by 25%. Last year dealerships paid \$300.00 for the annual board fee at the time they renewed or received their occupational license. They will now pay \$225.00. Manufacturers and distributors paid \$.45 per new vehicle distributed in California to a consumer, with a minimum of \$300.00. This year they will pay \$.338 per vehicle, with a \$225.00 minimum. These fees are utilized exclusively to fund the activities of the Board.

The authority for collecting these fees is provided in Vehicle Code section 3016, and Title 13 of the California Code of Regulations, section 553. The Board has the authority to adjust the fee schedule as needed. You can review the text of this regulation in the "What's New" section of our website at [www.nmvb.ca.gov](http://www.nmvb.ca.gov).



### REVENUE

**Fiscal Year 2001-2002\***

NEW MOTOR VEHICLE DEALER	
Annual Fee:	\$ 295,362.00
NEW MOTOR VEHICLE BOARD	
Filing fees:	5,400.00
NEW MOTOR VEHICLE BOARD	
Manufacturer/Distributor Annual fee:	\$ 961,405.95
NEW MOTOR VEHICLE BOARD	
Hearing Transcripts:	808.80
Arbitration Cert. Program Reimbursement	2,527.44
Total	\$ 1,265,504.19

\* July 1, 2001 thru November 30, 2001

## HEARINGS\*\*

February 11, 2002 - PR-1757-01 Steve Taub Inc., dba Steve Taub Porsche vs. Porsche Cars North America, Inc.

February 25, 2002 - PR-1763-01 Fresno Dodge, Inc., dba Fresno Dodge vs. Daimlerchrysler Motors Corporation

March 4, 2002 - PR-1702-01 Sacramento Valley Ford Truck Sales, Inc. vs. Sterling Truck Corporation

March 25, 2002 - PR-1766-01 San Diego Dodge vs. DaimlerChrysler

July 16, 2002 - P-440-01 Clutter Motors, Inc. dba Lancaster Jeep vs. Daimlerchrysler Corporation

\*\*Dates are subject to change.

## BOARD APPOINTS GENERAL COUNSEL

At its January 8, 2002, General Board meeting, the Board announced the appointment of Howard Weinberg, as its General Counsel. Mr. Weinberg, 54, is a graduate of the University of California, Davis and the McGeorge School of Law in Sacramento. He has extensive experience as an attorney for the State of California, including the New Motor Vehicle Board from 1991 to 1995, and has served as Acting Chief Counsel for the Department of Alcohol and Drug Programs. As General Counsel, Mr. Weinberg will provide legal advice to the Board on a full range of legal policy matters.

## POST 9-11 ASSESSMENT

Newly elected Board President, Fritz Hitchcock, recently participated in a panel discussion assessing the automotive industry in the coming year in a post 9-11 environment at the International Automotive Roundtable in Newport Beach, California. Other participants included Sid DeBoer, Chairman and CEO of Lithia Motors; Bryan Rowntree, President of Rowntree Automotive Group; and George McCabe, Executive Vice President of Planet Automotive. The general consensus of the panel was that the economy in general is still positive, and most are forecasting sales growth for the coming year. Incentives will continue to be offered, and keeping good inventory of models that are most likely to be incentivized will help win in this post 9-11 environment.

## COURT CASES

The Board does not participate in any action unless a state interest is implicated. The Board, as represented by the Attorney General's Office, is participating in the following court cases:

Calabasas Motorcars, Inc. vs. New Motor Vehicle Board of the State of California; Volvo Cars or North America, LLC, Real Party in Interest

Duarte & Witting Inc., dba Nader Chrysler-Plymouth vs. New Motor Vehicle Board; DaimlerChrysler Motors Corporation, Real Party in Interest

Mazda Motor of America, Inc. vs. New Motor Vehicle Board; David J. Phillips Buick Pontiac, Inc., Real Party in Interest



Fritz Hitchcock, President



Glenn Stevens, Vice President

## NEW OFFICERS FOR 2002

**A**t the New Motor Vehicle Board meeting held on January 8, 2002, in Los Angeles, the Board unanimously elected Frederick E. (Fritz) Hitchcock, Jr., as President of the Board, and Glenn E. Stevens as Vice-President. Mr. Hitchcock succeeds Robert T. (Tom) Flesh, who served as President since December 1999.

Mr. Hitchcock is Chairman and CEO of Hitchcock Automotive Resources, which is headquartered in the City of Industry, and is comprised of six automobile dealerships in Southern California. One of the dealerships, Puente Hills Toyota, has been among the top 60 volume Toyota dealerships in the United States for more than two decades. Mr. Hitchcock is the Director of the Southern California National Automobile Dealers Association and has served as the Chairman of the American International Automobile Dealers Association. In 1988 and 1995, Mr. Hitchcock received the All-Star Dealer Award from Sports Illustrated and in 1993 was awarded the Quality Dealer Award from Time magazine.

Glenn E. Stevens, Esq., was elected to serve as the Board's Vice-President. Mr. Stevens has served on the Board since March 2000. Mr. Stevens operates the Law Offices of Glenn E. Stevens, specializing in real estate matters, and is counsel to Nelson Shelton and Associates, a real estate brokerage located in Beverly Hills. Mr.

Stevens is a member of the Los Angeles County Bar Association, the Beverly Hills Bar Association, the Beverly Hills Board of Realtors, and the National Board of Realtors.

## LEGAL CASES

### PROTESTS

Vehicle Code Section	Active
3060	19
3062	6
3064	0
3065	0
3065.1	1
<b>TOTAL PROTESTS:</b>	<b>26</b>

### PETITIONS

3050(c)	4
<b>TOTAL PETITIONS:</b>	<b>4</b>

### APPEALS

3050(b)	0
<b>TOTAL APPEALS:</b>	<b>0</b>







## Mediation Statistics

July 2001 thru December 2001

Mediation Phone Calls Received	2,336
Mediation Request Forms Sent to Consumers	392
Cases Filed	210

You can reach  
Mediation Services Staff at  
(916) 445-1888

## CONSUMER MEDIATION SPOTLIGHT

On October 12, 2001, the Mediation Services Program received a request for assistance from a consumer who was experiencing problems with her 2001 Ford Mustang that she purchased on April 16, 2001. On May 22, 2001, the vehicle was brought into the dealership because the vehicle was making a knocking sound from the engine. It was decided at that time to replace the engine. One month later, on June 22, 2001, the consumer's vehicle was experiencing a rattling noise. The vehicle was brought into the dealership and the clutch was replaced. However, on the drive home, the rattling noise was still heard by the consumer. The clutch was replaced once more, along with windows (which were found to be faulty as well). Despite the dealership's efforts, the rattling noise persisted.

At this point, the consumer requested mediation through the New Motor Vehicle Board, and the case was

assigned to the Board's newest mediator Param Pabla. Immediately following receipt and review of the case, Mr. Pabla directed an inquiry letter to Ford Motor Company. The consumer contacted Mr. Pabla and expressed that she may file for arbitration through the Dispute Settlement Board. Mr. Pabla decided that a phone call to Ford might help resolve the situation through informal mediation and relieve the consumer of the extra burden of going through arbitration. Mr. Pabla spoke to the Ford representative who was assigned the case, and it was determined that Ford would buy back the vehicle.

Ford followed up the verbal buy-back promise with a letter containing detailed information regarding the repurchase. Mr. Pabla sent the letter to the consumer, along with an added note that if she had any questions during the process of receiving her refund to feel free to contact him. The consumer did contact the Board after receiving the information regarding the buy-back. The consumer was provided with additional information regarding the standard procedure for calculating a refund including the calculation for the mileage usage fee, accessories, etc. The consumer was very thankful for the assistance in successfully resolving her complaint.



## HISTORY OF THE FORD MUSTANG

The Ford Mustang began in 1962, when the young Vice President Lee Iacocca was asked to bring back the two-seater Thunderbird. He then created the Mustang I-Prototype. Ford almost pitched the idea, but so many people liked it, that it went into production in 1964. It was first shown to the public at the World Exhibition of Chicago on April 14th. It proved to be very popular, and the very first day that it went on the market more than 22,000 of the cars were sold. It proved to be one of Ford's most popular cars.

## BOARD HOSTS NAMVBC



The Board had the privilege of hosting the National Association of Motor Vehicle Boards and Commissions ("Association") annual Fall Workshop, held this year at the Holiday Inn Capitol Plaza in downtown Sacramento. The event ran for three days, from October 17 through 19, 2001. Representatives from several states attended the workshop, which provided a forum for the exchange of information and ideas of common interest involving the automobile industry.

New Motor Vehicle Board President Robert T. "Tom" Flesh, opened the meeting by welcoming the Association members to California. Peter Welch, Director of Governmental Affairs for the California Motor Car Dealers Association, gave a presentation on emerging trends relating to car dealers. Manager of Marketing and Sales for Th!nkMobility, Ann Hanson, discussed Ford Motor Company's Th!nk Franchise, and provided a demonstration of the Th!nk Neighbor, one of its electric cars. Ronald F. Sobrero, General Manager of Dealer Network Planning and Investment for General Motors Corporation discussed the future of the dealer franchise system. Other topics of discussion at the workshop included the phase out of Oldsmobile, Ford Motor Company's Blue Oval Program, the future of Daewoo, low speed vehicles, combating curbstoning and public auto auctions.

On the last day of the conference, election of officers was held, at which time Tom Novi, the Board's Executive Director, was elected Secretary of the Association. During their stay in Sacramento the attendees experienced and enjoyed a historic river boat dinner cruise, and were able to tour some of the area's many historic sites.

## STATE EMPLOYEE'S CAMPAIGN

Compassion in Action" was the theme for this year's United California State Employees Campaign ("UCSEC"), the State's United Way Fund drive. The Board launched its "kickoff" week for the UCSEC on Monday, October 22, 2001, with two speakers representing non-profit organizations. Blake Young from the Sacramento Food Bank Services, explained how his organization provides not only food to the hungry, but services for educating families through a community learning center, clothing and housing the poor and homeless with a food locker and clothes closet program, a computer clubhouse for children ages 8-18 to learn computer skills, and numerous other services for the community. Homeward Bound, a Golden Retriever rescue and sanctuary organization, was represented by Jody Jones. Ms. Jones, also a full-time State employee, described how the organization is dedicated to the rescue, rehabilitation and adoption of displaced and homeless Golden Retrievers. They have a successful "Golden Oldies" program that matches retrievers with elderly individuals, who are often lonely and in need of companionship. In addition, volunteers are caring for dogs of our service men and women who have been called away to war.

Along with scheduling speakers, the week's other activities were planned by the campaign chair, Kathy Tomono, and included drawings for a personally autographed photo of Doug Christie of the Sacramento Kings, two "opportunity" baskets, and the annual Dollar-A-Dip Potluck. Due to the outstanding effort of all who participated, the Board's contributions were increased from \$855.00 to \$1,555.81, a 55% improvement over last year's campaign, which adds another "Red Shoe" award to our award wall.

NMVB e-mail: [nmvp@pacbell.net](mailto:nmvp@pacbell.net)

## UPCOMING BOARD

### General Board Meeting

\*March 12, 2002  
Sacramento



### General Board Meeting

\*April 26, 2002  
Indian Wells

\*May 14, 2002  
Sacramento

(\*Board Meeting dates are subject to change. A meeting agenda with time and location details is mailed 10 days prior to the meeting.)

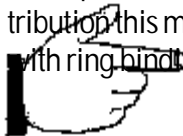
## STATE HOLIDAYS 2002

The Board's offices will be closed on the following holidays:

New Year's Day - January 1, 2002  
Martin Luther King, Jr. Birthday - January 21, 2002  
Lincoln's Birthday - February 12, 2002  
Washington's Birthday - February 18, 2002  
Cesar Chavez Day - April 1, 2002  
Memorial Day - May 27, 2002  
Independence Day - July 4, 2002  
Labor Day - September 2, 2002  
Columbus Day - October 14, 2002  
Veteran's Day - November 11, 2002  
Thanksgiving Day - November 28, 2002  
Day after Thanksgiving - November 29, 2002  
Christmas Day - December 25, 2002

## NMVB GUIDE

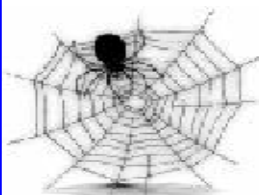
The Guide to the New Motor Vehicle Board has been updated with current statutes and will be ready for distribution this month. The Guide has a completely new look, with ring binding for ease of use when referencing.



## REMINDER: FPPC STATEMENTS

The staff will be mailing to the Board members, the Statements of Economic Interests (Form 700), within the next two weeks. Since the April 1 filing deadline falls on an official state holiday (Cesar Chavez Day observed), the deadline extends to Tuesday, April 2, 2002.

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